

**TDX Manley Generating, LLC.**  
**Cost of Power Adjustment (COPA)/ Small Facility Power**  
**Purchase Rate (SFPPR)/ Power Cost Equalization (PCE) Update**  
**Memorandum**

Date: **December 17, 2020**

Utility Name <b>TDX Manley Generating, LLC</b>		Utility File No. <b>TA175-72</b>		Date Filed: <b>November 16, 2020</b>	
<b>FILING SUMMARY</b>					
Statutory Deadline: December 31, 2020		Tariff Sheets recommended for approval: Tariff Sheet No. 51 Tariff Sheet No. 54 Tariff Sheet No. 53		Staff Recommended Effective Date: December 31, 2020  Filed on November 16, 2020 Filed on November 16, 2020 Filed on November 16, 2020	
Side-by-side Tariff Sheets attached as Appendix 4					
<b>COPA SUMMARY</b>					
Prior Commission Determination TA Number and Effective Date		Prior Commission Determination (\$/kWh)	Staff Recommended Determination (\$/kWh)	Change (\$/kWh)	
TA174-72 10/1/2020		\$0.1954	\$0.2551	\$0.0597	
<b>SFPPR Summary</b>					
Prior Commission Determination TA Number and Effective Date		Prior Commission Determination (\$/kWh)	Staff Recommended Determination (\$/kWh)	Change (\$/kWh)	
TA174-72 10/1/2020		\$0.2450	\$0.2558	\$0.0108	
<b>PCE SUMMARY</b>					
Prior Commission Determination TA Number and Effective Date		Prior Commission Determination (\$/kWh)	Staff Recommended Determination (\$/kWh)	Change (\$/kWh)	
Residential	TA174-72 10/1/2020	\$0.6460	\$0.7192	\$0.0732	
Commercial	TA174-72 10/1/2020	\$0.6440	\$0.7192	\$0.0752	
<b>Additional Staff Recommendation</b>					

Signed: *Keiba Kimp* Utility Tariff Analyst  
 Keiba Kimp

**Reasons for the above recommendations: See Attached Memorandum**

	Date, if different from 12/17/2020	I CONCUR	I DO NOT CONCUR	I WILL WRITE A DISSENTING STATEMENT*
Pickett		<i>RMP</i>		
McAlpine		<i>SM</i> SM		
Scott		<i>AGS</i> AGS		
Sullivan		<i>DS</i> DS		
Wilson		<i>JW</i> JW		

Special Instructions to Staff: \_\_\_\_\_

\* If this column is initialed, Staff will contact the Commissioner for the statement. Otherwise, dissent will be noted at the close of the By Direction Letter or Order.

**TDX Manley Generating, LLC.**  
**COPA / SFPPR / PCE Update**  
**Memorandum**

To: Robert M. Pickett, Chairman  
Stephen McAlpine  
Antony Scott  
Daniel A. Sullivan  
Janis W. Wilson

Date: December 17, 2020

File: TA175-72

Utility: TDX Manley Generating, LLC

From: Keiba Kimp

Subject: COPA, PCE, SFPPR

COPA Comments:

Staff reviewed this tariff filing to ensure compliance with applicable regulations (3 AAC 48.200-3 AAC 48.430). Staff also reviewed proposed tariff sheets to ensure the stated text is easily understood, and the tariff provisions clearly and comprehensively describe and address the situation to which the tariff provision applies. Proposed revisions to COPA surcharges are reviewed under 3 AAC 52.504, which requires information supporting entries in the balancing account for the historical period, and support for projections for the future period.

Staff Notes:

The estimated fuel costs increased from \$26,426.22 to \$33,939.24. The estimated balancing account balance increased from (\$4,281.35) to \$2,843.79. The estimated kWh sales increased from 113,315 kWh to 144,185 kWh. The upward pressure caused by the increase in the estimated fuel costs and increase in the estimated balancing account balance offsets the downward pressure from the increase in the estimated kWh sales. This results in an increase in TDX Manley Generating, LLC's (TMG) COPA surcharge from \$0.1954/kWh to \$0.2551/kWh.

Staff Recommendation:

The Commission should approve Tariff Sheet No. 54, filed November 16, 2020, by TDX Manley Generating, LLC with TA175-72. The effective date of the tariff sheet should be December 31, 2020.

SFPPR Comments:

TMG's tariff provides that the rate at which the Utility will purchase energy from Qualifying Facilities with a design capacity of 100 kW or less is calculated based upon the amount of diesel generation used in the most recent quarter, updated to reflect the current price of fuel, divided by the number of kWh sold attributable to diesel generation.

Staff Notes:

TMG proposes a SFPPR of \$0.2558/kWh, which is an increase of \$0.0108/kWh from the previously approved SFPPR of \$0.2450/kWh.

Staff Recommendation:

The Commission should approve Tariff Sheet No. 53, filed November 16, 2020, by TDX Manley Generating, LLC with TA175-72. The effective date of the tariff sheet should be December 31, 2020.

PCE Comments:

Proposed adjustments to PCE amounts are evaluated under 3 AAC 52.600-690. Each participating regulated electric utility is required to submit revised PCE amounts in conjunction with COPA surcharge adjustments. The utility must provide information supporting the request for the PCE amount revision. Adjustments will be made to the PCE amounts if the utility does not achieve the generation efficiency and line loss standards set out in 3 AAC 52.620. If a utility fails to meet the generation efficiency standards (kWh/gallon), Staff will impute the number of gallons that should have been consumed. Because 3 AAC 52.610(f) provides no guidance on the method of imputing the number of gallons that should have been consumed, Staff uses the method prescribed for non-regulated utilities in 3 AAC 52.610(g)(1)(B). Staff reviews the line loss for each reported month to determine if the 12% line loss standard has been met; if it has not, Staff reviews the annual line loss. If Staff determines that both the monthly and annual line loss standards have not been met Staff will impute the number of kWh that should have been sold. The resulting imputed sales and/or generation is then used to calculate an adjusted balancing account balance which is used in determining the total fuel power costs used in the calculation of the PCE amounts.

Staff Notes:

Staff notes that TMG met the regulatory generation efficiency standard but failed to meet the regulatory line loss standard of 12% (see 3 AAC 52.620(b)) in July, August, and September 2020. TMG's line loss in July, August, and September 2020 was 17.37%, 16.98%, and 18.29%, respectively, and its annual line loss was 17.46%, 17.43%, and 17.46% for the same respective months. As a result, Staff increased the kWh sales for July, August, and September 2020 by 2,337 kWh, 2,128 kWh, and 2,602 kWh, respectively, to achieve the 12% line loss standard. The imputed sales (adjusted for the line loss) plus the estimates for October and November 2020, resulted in a reduction of \$1,800.15 for an adjusted estimated balancing account balance of \$1,206.49. Using this adjusted balancing account balance, the PCE level decreased from \$0.7300/kWh. In TA175-72, TMG is proposing an increase of \$0.0752/kWh to its PCE amount, from \$0.6440/kWh to \$0.7192/kWh.

Staff Recommendation:

The Commission should approve Tariff Sheet No. 51, filed November 16, 2020, by TDX Manley Generating, LLC in TA175-72. The effective date of the tariff sheet should be December 31, 2020.

**TDX Manley Generating, LLC**  
**Calculation and Comparison of 500 kWh Bill**  
**TA175-72**

Customer Bills	Prior Determination (\$/kWh)	Updated Determination (\$/kWh)	Change
Surcharge (\$/kWh)	\$0.1954	\$0.2551	\$0.0597
PCE (\$/kWh)	\$0.6460	\$0.7192	\$0.0732
<b>500 kWh Customer Bill</b>			
Energy @ \$0.6910/kWh	\$345.50	\$345.50	\$0.00
Customer Charge	\$22.98	\$22.98	\$0.00
Regulatory Cost Charge @ \$0.000654/kWh	\$0.33	\$0.33	\$0.00
Surcharge Amount (\$)	\$97.70	\$127.55	\$29.85
PCE Credit Amount (\$)	(\$323.00)	(\$359.60)	(\$36.60)
Total Customer Bill (\$)	\$143.51	\$136.76	(\$6.75)

**TDX Manley Generating, LLC**  
**COST OF POWER ADJUSTMENT**  
**TA175-72**

Calculation of Cost of Power Adjustment			
Line	Description	Prior Determination (\$/kWh)	Updated Determination (\$/kWh)
A	Estimated Per Unit Fuel Cost	\$ 2.32	\$ 2.49
B	Estimated Fuel Consumption	11,391	13,630
C	Estimated Per Unit Power Cost	\$ -	\$ -
B	Estimated Power Consumption	-	-
D	Total Estimated Fuel and Power Costs ((A*B)+(C*D))	\$ 26,427.46	\$ 33,939
E	Estimated Balancing Account Balance	\$ (4,281.35)	\$ 2,843.79
F	Total (D+E)	\$ 22,146.11	\$ 36,783
G	Estimated Retail Sales	113,315	144,185
H	Projected Cost of Power (F/G)	\$ 0.1954	\$ 0.2551
I	Base Cost of Power	\$ -	\$ -
J	Cost of Power Adjustment Amount (H-I)	\$ 0.1954	\$ 0.2551

Comments	
Staff notes the base cost of power changed to \$0.00 with Order No. U-17-92(14), effective November 1, 2018.	

Actual Costs			
	Prior Determination	Updated Determination	Change
Per Unit Fuel Cost	\$ 2.32	\$ 2.39	\$ 0.07
Total Fuel Cost	\$ 21,810.00	\$ 25,024.26	\$ 3,214.26
Per Unit Power Cost	\$ -	\$ -	\$ -
Total Power Cost	\$ -	\$ -	\$ -
Balancing Account	\$ (4,281.35)	\$ 2,843.79	\$ 7,125.14

Actual Revenues			
	Prior Determination	Updated Determination	Change
Sales	89,033	102,055	13,022.00
COPA Surcharge Revenues	\$ 26,634.87	\$ (23,926.19)	(50,561.06)
Base Cost Revenues	\$ -	\$ -	0.00

**Signature:** 

**Email:** bob.pickett@alaska.gov

**Signature:**   
Stephen McAlpine (Dec 17, 2020 08:52 AKST)

**Email:** stephen.mcalpine@alaska.gov

**Signature:**   
Antony Scott (Dec 17, 2020 09:23 AKST)

**Email:** antony.scott@alaska.gov

**Signature:**   
Daniel Sullivan (Dec 17, 2020 10:38 AKST)

**Email:** daniel.sullivan@alaska.gov

**Signature:**   
Jan Wilson (Dec 17, 2020 16:49 AKST)

**Email:** janis.wilson@alaska.gov

**TDX Manley Generating, LLC**  
**POWER COST EQUALIZATION**  
TA175-72

Calculation of Power Cost Equalization			
Line	Description	Prior Commission Determination (\$/kWh)	Updated Commission Determination (\$/kWh)
A	Non-Fuel Power Costs	0.7196	0.7196
B	Fuel Power Costs	0.1667	0.2437
C	Total Power Costs	0.8863	0.9633
D	Total Costs Less \$0.20630/kWh	0.6800	0.7570
E	95% of Total Power Costs	0.6460	0.7192
F	Statutory Maximum [(1-0.20630)*0.95]	0.7540	0.7540
G	Lesser of E or F	0.6460	0.7192
H	Customer Class Rate		
	Residential	0.6981	0.7752
	Large Commercial	0.6440	0.7211
I	Power Cost Equalization - Lesser of G or H		
	Residential	0.6460	0.7192
	Large Commercial	0.6440	0.7192
	Power Cost Equalization - After Reduction	100%	100%
J	Residential	0.6460	0.7192
	Large Commercial	0.6440	0.7192

Amendment to Allowable Costs		
Line	Description	Amount
1	NON-FUEL COSTS - U-17-092(13)	
2	Allowable Non-Fuel Cost	\$ 304,699
3	Twelve Month Total kWh Sales	423,824
4	Regulatory Cost Charge	\$ 0.000654
5		0.7196
6	FUEL COSTS	
7	Current Fuel Price	\$ 2.4900
8	Estimated Fuel Consumption (gallons)	13,630
9	Estimated kWh Sales (kWh)	144,185
10	Balancing Account Balance (imputed)	1,206
11	Total Fuel Power Costs	0.2437
Surcharge Calculation		
Line	Description	Amount
1	Total Estimated Fuel Power Costs	33,940
2	Balancing Account Balance	\$ 1,206.00
3	Total	\$ 35,146.00
4	Estimated Retail Sales	144,185
5	Projected Cost of Power	0.2438
6	Base Cost of Power	-
7	Surcharge	\$ 0.2438

Calculation of Average Customer Class Rate per kWh									
Line	kWh (by Block)	Rate (\$/kWh)	Customer Charge	COPA Surcharge (\$/kWh)	RCC (\$/kWh)	Total Rate (\$/kWh)	Total (\$)	Average Rate (\$/kWh)	Average Rate Less \$0.20630/kWh (\$/kWh)
1	Residential & Small Comm.	0.6910	22.98	0.2438	0.000654	0.9355	490.73	0.9815	0.7752
3	Commercial & Self Generation	0.5910	45.96	0.2438	0.000654	0.8355	463.71	0.9274	0.7211

**RECEIVED**  
**September 2, 2020**  
STATE OF ALASKA  
REGULATORY COMMISSION OF ALASKA

RCA No. <u>72</u>	<u>53rd</u>	Sheet No. <u>51</u>
Cancelling	<u>52nd</u>	Sheet No. <u>51</u>

**TDX MANLEY GENERATING, LLC**

ELECTRIC UTILITY  
SCHEDULE OF FEES AND CHARGES  
POWER COST EQUALIZATION

The following conditions apply to Power Cost Equalization (PCE) eligibility.

1. Residential customers are eligible for PCE for actual consumption of not more than 500 kilowatt-hours per month.
2. Customers that are classified as local community facilities are eligible for PCE, calculated in the aggregate for each community by the utility for actual consumption of not more than 70 kilowatt-hours per month for each resident of the community. The number of community residents shall be determine under AS 29.60.020.
3. Customers not listed above are not eligible for PCE.

If appropriations are sufficient for payment in full, the amount of Power Cost Equalization to be credited to the bills of all eligible customers rendered on or after the effective date set forth below, is as follows:

<u>Schedule</u>	<u>PCE Amount</u>
Residential Service/Small Commercial	\$0.6460 per kWh R
Commercial/Self-Generation	\$0.6440 per kWh R

Tariff Advice: TA174-72 Effective: October 1, 2020  
Issued By: TDX Manley Generating, LLC

By: John Lyons Title: TDX Power President



RCA No. <u>72</u>	<u>54TH</u>	Sheet No. <u>51</u>
Cancelling	<u>53RD</u>	Sheet No. <u>51</u>

**TDX MANLEY GENERATING, LLC**

ELECTRIC UTILITY  
SCHEDULE OF FEES AND CHARGES  
POWER COST EQUALIZATION

The following conditions apply to Power Cost Equalization (PCE) eligibility.

1. Residential customers are eligible for PCE for actual consumption of not more than 500 kilowatt-hours per month.
2. Customers that are classified as local community facilities are eligible for PCE, calculated in the aggregate for each community by the utility for actual consumption of not more than 70 kilowatt-hours per month for each resident of the community. The number of community residents shall be determine under AS 29.60.020.
3. Customers not listed above are not eligible for PCE.

If appropriations are sufficient for payment in full, the amount of Power Cost Equalization to be credited to the bills of all eligible customers rendered on or after the effective date set forth below, is as follows:

<u>Schedule</u>	<u>PCE Amount</u>
Residential Service/Small Commercial	\$0.7192 per kWh I
Commercial/Self-Generation	\$0.7192 per kWh I

Tariff Advice: TA175-72 Effective: December 31, 2020  
Issued By: TDX Manley Generating, LLC

By: John Lyons Title: TDX Power President

RCA No. 72      39TH Revision      Sheet No. 53Cancelling 38TH Revision      Sheet No. 53**RECEIVED**  
**August 17, 2020**STATE OF ALASKA  
REGULATORY COMMISSION OF ALASKA**TDX MANLEY GENERATING, LLC**ELECTRIC UTILITY  
SCHEDULE OF FEES AND CHARGES**Small Facility Power Purchase Rate**

The rate at which the Utility will purchase energy from Qualifying Facilities with a design capacity of 100 kW or less is calculated based upon the amount of diesel generation used in the most recent quarter, updated to reflect the current price of fuel, divided by the number of kWh sold in the most recent quarter.

A.	Number of gallons consumed		9,401	gallons
B.	Current fuel price		\$ <u>2.32</u>	\$/gallon
C.	Total Fuel Costs	A x B	\$ 21,810	
D.	kWh sold		<u>89,033</u>	kWh
E.	<b>Small Facility Power Purchase Rate</b>	<b>C / D</b>	<b>24.50 ¢/kWh</b>	<b>R</b>

Tariff Advice: TA174-72

Effective: October 1, 2020

Issued by : **TDX MANLEY GENERATING, LLC**By : John LyonsTitle : TDX Power PresidentRCA No. 72      40TH Revision      Sheet No. 53Cancelling 39TH Revision      Sheet No. 53**TDX MANLEY GENERATING, LLC**ELECTRIC UTILITY  
SCHEDULE OF FEES AND CHARGES**Small Facility Power Purchase Rate**

The rate at which the Utility will purchase energy from Qualifying Facilities with a design capacity of 100 kW or less is calculated based upon the amount of diesel generation used in the most recent quarter, updated to reflect the current price of fuel, divided by the number of kWh sold in the most recent quarter.

A.	Number of gallons consumed		10,483	gallons
B.	Current fuel price		\$ <u>2.49</u>	\$/gallon
C.	Total Fuel Costs	A x B	\$ 26,103	
D.	kWh sold		<u>102,055</u>	kWh
E.	<b>Small Facility Power Purchase Rate</b>	<b>C / D</b>	<b>25.58 ¢/kWh</b>	<b>I</b>

Tariff Advice: TA175-72

Effective: December 31, 2020

Issued by : **TDX MANLEY GENERATING, LLC**By : John LyonsTitle : TDX Power President

RECEIVED

August 17, 2020

STATE OF ALASKA  
REGULATORY COMMISSION OF ALASKA

RCA No. 72      41st      Sheet No.      54  
Cancelling      40th      Sheet No.      54

**TDX MANLEY GENERATING, LLC**

ELECTRIC UTILITY  
SCHEDULE OF FEES AND CHARGES

DETERMINATION OF COST OF POWER ADJUSTMENT

1. Estimated fuel costs for 3 months beginning      **SEPTEMBER 1, 2020**

Source	Estimated Quantity	Estimated Unit Cost	Estimated Total Cost	
Diesel Power (gal)	11,391	<b>\$2.32</b>	\$ 26,426.22	R
Purchased Power			-	
<b>Total</b>			<b>\$ 26,426.22</b>	R

2. Balance in Estimated Cost of Power Balancing Account  
as of      **August 31, 2020**      **\$ (4,281.35)**      R

Balance in Actual Balancing Account  
as of      **June 30, 2020**      \$ (2,141.77)

3. **Total (1) and (2) above**      **\$ 22,144.87**      R

4. Estimated retail sales for three months (kWh)      113,315      I

5. Projected cost of power [(3)/(4)]      \$ 0.1954      R

6. Base cost of power      \$ - /kWh

7. Cost of Power Adjustment [(5) - (6)]      **\$ 0.1954 /kWh**      R

Tariff Advice:      TA174-72      Effective: October 1, 2020

Issued By:      TDX Manley Generating, LLC

By:      John Lyons

Title:      TDX Power President



RCA No. 72      42nd      Sheet No.      54  
Cancelling      41st      Sheet No.      54

**TDX MANLEY GENERATING, LLC**

ELECTRIC UTILITY  
SCHEDULE OF FEES AND CHARGES

DETERMINATION OF COST OF POWER ADJUSTMENT

1. Estimated fuel costs for 3 months beginning      **DECEMBER 1, 2020**

Source	Estimated Quantity	Estimated Unit Cost	Estimated Total Cost	
Diesel Power (gal)	13,630	<b>\$2.49</b>	\$ 33,939.24	I
Purchased Power			-	
<b>Total</b>			<b>\$ 33,939.24</b>	I

2. Balance in Estimated Cost of Power Balancing Account  
as of      **November 30, 2020**      **\$ 2,843.79**      I

Balance in Actual Balancing Account  
as of      **September 30, 2020**      \$ (1,043.64)

3. **Total (1) and (2) above**      **\$ 36,783.03**      I

4. Estimated retail sales for three months (kWh)      144,185      I

5. Projected cost of power [(3)/(4)]      \$ 0.2551      I

6. Base cost of power      \$ - /kWh

7. Cost of Power Adjustment [(5) - (6)]      **\$ 0.2551 /kWh**      I

Tariff Advice:      TA175-72      Effective:      **December 31, 2020**

Issued By:      TDX Manley Generating, LLC

By:      John Lyons

Title:      TDX Power President